# THE WESTON FIRM

1405 Morena Blvd., Ste. 201 | San Diego, CA 92110

TEL: 619-798-2006 FAX: 480-247-4553 www.westonfirm.com

December 5, 2012

## Via: Certified Mail, receipt acknowledgment with signature requested

G.J. Hart, Chief Executive Officer California Pizza Kitchen, Inc. 6053 W. Century Blvd., 11th Floor Los Angeles, CA 90045

Chris Johnson, Executive Vice-President Nestle USA, Inc. 800 N. Brand Boulevard Glendale, CA 91203

Dale Giali, Counsel Mayer Brown LLP 350 South Grand Ave, 25th Floor Los Angeles, CA 90071-1503

Re: Demand Letter, Notice of Anticipated Litigation & Duty to Preserve Evidence

Messrs. Hart, Johnson and Giali,

We write on behalf of our client, Katie Simpson, in order to determine whether a prelitigation settlement is possible for her claims under California's Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200 et seq. ("UCL").

Ms. Simpson has purchased several of your frozen pizza products (under various brands) containing partially hydrogenated vegetable oil and, therefore, artificial trans fat. Artificial trans fat is a dangerous and toxic ingredient for which there are many safe substitutes and, indeed, many of your competitors sell frozen pizza products that do not contain any trans fat.

The UCL prohibits unfair business practices. The use of "unfair" in the statute "is intentionally broad, thus allowing courts maximum discretion to prohibit new schemes to defraud." Smith v. State Farm Mut. Auto Ins. Co., 93 Cal. App. 4th 700, 718 (2001). Courts have construed "unfair" practices as those that: (1) are immoral, unethical, unscrupulous, or substantially injurious to consumers, where the utility of the practice does not outweigh the gravity of harm to its victims; (2) violate public policy as declared by specific constitutional, statutory or regulatory provisions; or (3) cause consumers substantial injury that is not outweighed by benefits to consumers or competition, and which consumers could not themselves reasonably have avoided.

Page 2 of 3

Notably, the first "unfair" test (the balancing test) is manifestly, a question of fact for a jury. See, e.g., In re iPhone Application Litig., 844 F. Supp. 2d 1040, 1073 (N.D. Cal. 2012) ("While the benefits of Apple's conduct may ultimately outweigh the harm to consumers, this is a factual determination that cannot be made at this stage of the proceedings."); King v. Bank of Am., N.A., 2012 U.S. Dist. LEXIS 141963, at \*25 (N.D. Cal. Oct. 1, 2012) (denying motion to dismiss UCL "unfair" claim where "Defendants actions as alleged in the Complaint could constitute an unfair business practice" under balancing test); Rezner v. Bayerishe Hypo-Und Vereinsbank AG, 2011 U.S. Dist. LEXIS 148592, at \*21 (N.D. Cal. Nov. 8, 2011) ("where the pleading states a prima facie case of harm stemming from an apparently unfair business practice, dismissal on the pleadings is usually inappropriate, as the court cannot weigh the utility of the defendant's conduct without analysis of some evidence"); Motors, Inc. v. Times Mirror Co., 102 Cal. App. 3d 735, 740 (1980) ("whether a particular business practice is unfair necessarily involves an examination of its impact on its alleged victim, balanced against the reasons, justifications and motives of the alleged wrongdoer" (emphasis added)).

The second "unfair" test (the public policy test) is supported in this case by the public policy goals embodied in the California Legislature's statutes prohibiting the use of artificial trans fat in schools and restaurants. See Cal. Educ. Code § 49431.7, Cal. Health & Saf. Code § 114377.

And the third "unfair" test (the FTC Test), like the first, requires a balancing and determination of what consumers might do, *vel non*, to avoid injury. Therefore it is also highly fact-intensive.

Given the harm and lack of utility in your practice of using trans fat in your frozen pizza products, and its antagonism to public policy, Ms. Simpson, on behalf of herself, all others similarly situated, and the general public, hereby demands that you remedy these violations of the UCL as follows:

- Cease your practice of adding artificial trans fat, in the form of partially hydrogenated oils to the products identified in Appendix A to the enclosed draft class action complaint; and
- Agree to reimburse all U.S. purchasers of the products identified in Appendix A during the past 3 years, by creating a common fund against which consumers may make claims (which may also pay notice and administration costs).

If you do not take prompt corrective action, our client will seek relief, including but not limited to the above, in the United States District Court on behalf of herself, all others similarly situated, and the general public.

Given the gravity of the harm the business practice of adding artificial trans fat to foods intended for human consumption imposes on the public-at minimum 30,000 excess deaths in the United States alone- we can only defer filing absent a firm tolling agreement until the first week of the new year.

Page 3 of 3

Finally, I remind you of your legal duty to preserve all records relevant to such litigation. See, e.g., Convolve, Inc. v. Compaq Computer Corp., 223 F.R.D. 162, 175 (S.D.N.Y. 2004); Computer Assoc. Int'l v. American Fundware, Inc., 133 F.R.D. 166, 168-69 (D. Colo. 1990). We anticipate seeking in discovery all e-mails, letters, reports, internal corporate instant messages, and laboratory records that relate to the formulation and marketing of the frozen pizza products identified in Appendix A to the enclosed Complaint. You therefore must inform any employees, contractors, and third-party agents (for example product consultants, advertising agencies handling your product accounts, distributors, suppliers and vedors) to preserve all such relevant information.

Very truly yours,

Gregory S. Weston Jack Fitzgerald

Enclosure

1 2 3 4 5 6 7 8	THE WESTON FIRM GREGORY S. WESTON (239944) greg@westonfirm.com JACK FITZGERALD (257370) jack@westonfirm.com MELANIE PERSINGER (275423) mel@westonfirm.com 1405 Morena Blvd., Suite 201 San Diego, CA 92110 Telephone: (619) 798-2006 Facsimile: (480) 247-4553  Counsel for Plaintiff and the Proposed Class	<u>s</u>
9	UNITED STA	ATES DISTRICT COURT
10		STRICT OF CALIFORNIA
11	KATIE SIMPSON, on behalf of herself and	
12	all others similarly situated,	Case No:
13	Plaintiff,	CLASS ACTION COMPLAINT
14	V,	8
15	CALIFORNIA PIZZA KITCHEN, INC.	COMPLAINT FOR VIOLATIONS OF THE UNFAIR COMPETITION LAW
16	and NESTLE USA, INC.	
17	Defendants.	
18 19		
20		
21		×
22		
23		
24		
25		
26		
27		
28		

Plaintiff Katie Simpson, on behalf of herself, all others similarly situated, and the general public, by and through undersigned counsel, hereby sues Defendants California Pizza Kitchen, Inc. ("CPK") and Nestle USA, Inc. ("Nestle"), and upon information and belief and investigation of counsel, alleges as follows:

### JURISDICTION AND VENUE

- 1. This Court has original jurisdiction over this action under 28 U.S.C. § 1332(d)(2) (The Class Action Fairness Act) because the matter in controversy exceeds the sum or value of \$5,000,000 exclusive of interest and costs and because more than two-thirds of the members of the class defined herein reside in states other than the state of which Defendants are citizens.
- 2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because Plaintiff resides in and suffered injuries as a result of Defendants' acts in this District, many of the acts and transactions giving rise to this action occurred in this District, and Defendants: (1) are authorized to conduct business in this District and have intentionally availed themselves of the laws and markets of this District through the distribution and sale of their products in this District; (2) reside in this District; and (3) are subject to personal jurisdiction in this District.

## NATURE OF THE ACTION

- 3. Defendants manufacture and sell a variety of frozen pizzas containing partially hydrogenated vegetable oil ("PHVO"), a food additive banned in many parts of the world due to its artificial trans fat content. Artificial trans fat is a toxic carcinogen for which there are many safe and commercially acceptable substitutes. Defendants' pizza brands containing PHVO include DiGiorno, California Pizza Kitchen ("CPK"), and Stouffer's (the "Nestle Trans Fat Pizzas").
- 4. Plaintiff Katie Simpson repeatedly purchased Nestle Trans Fat Pizzas during the Class Period defined herein.
- 5. Although there are safe and commercially acceptable alternatives to trans fat, including those used in competing brands and even in a few Nestle and CPK products, Defendants unfairly elect not to use those substitutes in the Nestle Trans Fat Pizzas in order to increase profit at the expense of consumer health.

6. This action is brought to remedy Defendants' unlawful conduct. On behalf of the class defined herein, Plaintiff seeks an order compelling Defendants to, *inter alia*: (1) cease using artificial trans fat as an ingredient in the Nestle Trans Fat Pizzas and (2) award Plaintiff and the Class restitution.

#### **PARTIES**

- 7. Defendant Nestle USA, Inc. is a Delaware corporation with its headquarters and principal place of business in Glendale, California. Nestle owns, manufactures and sells the Nestle Trans Fat Pizzas, more particularly identified in <u>Appendix A</u> hereto.
- 8. Defendant California Pizza Kitchen is a Delaware corporation with its principal place of business in Los Angeles, California. California Pizza Kitchen licenses its trademarks and proprietary recipes to Nestle for the manufacturing and distribution of a line of California Pizza Kitchen frozen pizzas sold throughout the United States.
- 9. Defendant Nestle USA, Inc. is owned by Nestle, S.A., a Swiss corporation located at Avenue Nestle 55, Vevey, Switzerland.
- 10. Plaintiff Katie Simpson is a resident of unincorporated San Diego County, California who repeatedly purchased the Nestle Trans Fat Pizzas for personal and household consumption.

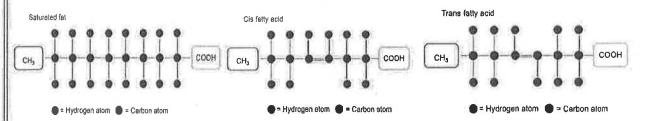
## **FACTS**

- 11. Artificial trans fat is manufactured via an industrial process called partial hydrogenation, in which hydrogen atoms are added to normal vegetable oil by heating the oil to temperatures above 400 degrees Fahrenheit in the presence of ion donor catalyst metals such as rhodium, ruthenium, and nickel. The resulting product is known as partially hydrogenated vegetable oil, or PHVO, which is the main source of trans fat in the American diet and used in dangerous quantities in the Nestle Trans Fat Pizzas.
- 12. PHVO was invented in 1901 and patented in 1902 by German chemist Wilhelm Normann. PHVO molecules chemically differ from the natural fat molecules in other food products.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> See Alice H. Lichtenstein, Trans Fatty Acids, Plasma Lipid Levels, and Risk of Developing Cardiovascular Disease, 95 Circulation 2588, 2588-90 (1997).

<sup>&</sup>lt;sup>2</sup> See Alberto Ascherio et al., Trans Fatty Acids & Coronary Heart Disease, 340 New Eng. J. Med. 94, 94-8 (1999). See also Ctr. for Food Safety & Applied Nutrition, U.S. Food & Drug Admin., Questions &

13. Natural fat, except the trace amounts of natural trans fat from ruminant animals, comes in two varieties: (1) fats that lack carbon double bonds ("saturated fat") and (2) fats that have carbon double bonds with the hydrogen atoms on the same side on the carbon chain ("cis fat"). Trans fat, however, has double bonds on opposite sides of its carbon chain.



- 14. PHVO was initially a "wonder product" attractive to the packaged food industry because it combines the low cost of unsaturated cis fat with the flexibility and long shelf life of saturated fat. Like cis fat, PHVO is manufactured from lower-cost legumes, while saturated fat is derived from relatively expensive animal and tropical plant sources. Given its versatility, PHVO was recently used in 40 percent of processed packaged foods. Now, because of health concerns, that percentage is far lower. Defendants, however, have decided not to follow their more responsible peers and cease using PHVO, instead placing profits over public health and poisoning their consumers with the Nestle Trans Fat Pizzas.
- 15. Artificial trans fat does not exist in nature, and the human body has not evolved to digest it. The same unusual and unnatural chemical structure that makes artificial trans fat attractive from an industrial perspective makes it highly toxic to human health.
- 16. In particular, PHVO causes cardiovascular heart disease, diabetes, cancer, Alzheimer's disease, and accelerates cognitive decline in diabetics.

Answers About *Trans* Fat Nutrition Labeling (Update 2006) (2003), *available a* http://www.cfsan.fda.gov/%7Edms/qa*trans*2.html

<sup>&</sup>lt;sup>3</sup> e.g., corn oil, soybean oil, peanut oil

<sup>&</sup>lt;sup>4</sup> e.g., butter, cream, tallow, coconut oil

<sup>&</sup>lt;sup>5</sup> Mary Carmichael, The Skinny on Bad Fat, Newsweek, Dec. 1, 2003, at 66. See also Kim Severson, Hidden Killer. It's Trans Fat. It's Dangerous. And It's In Food You Eat Every Day, S.F. Chron., Jan. 30, 2002.

17. While many packaged food manufacturers have removed PHVO from their products as its extreme damage to human health has become ever clearer, Defendants have chosen to continue to gravely harm their customers by continuing to use PHVO in the Nestle Trans Fat Pizzas.

# There is a Well-Established Scientific Consensus That Trans Fat is Extremely Harmful

- 18. There is "no safe level" of artificial trans fat intake. 6
- 19. According to the established consensus of the scientific community, consumers should keep their consumption of trans fat "as low as possible."<sup>7</sup>
- 20. In addition, "trans fatty acids are not essential and provide no known benefit to human health." Thus, while "the [Institute of Medicine] sets tolerable upper intake levels (UL) for the highest level of daily nutrient intake that is likely to pose no risk of adverse health effects to almost all individuals in the general population[,] . . . the IOM does not set a UL for trans fatty acid because any incremental increase in trans fatty acid intake increases the risk of CHD." (emphasis added). In addition, while "trans fats are naturally occurring in some foods that contribute essential nutrients . . . [such that] consuming zero percent of energy as trans fat would require substantial adjustments to the diet that may have undesirable effects," the FDA's "[r]ecommendations are for Americans to limit trans fat consumption as much as possible while consuming a nutritionally adequate diet." (citations omitted).
- 21. Dariush Mozaffarian of Harvard Medical School writes in the New England Journal of Medicine:

[T]rans fats from partially hydrogenated oils have no intrinsic health value above their caloric value. Thus from a nutritional standpoint, the consumption of trans fatty acids results in considerable potential harm but no apparent benefit. . . . Thus, complete or near-complete avoidance of industrially produced trans fat—a

<sup>&</sup>lt;sup>6</sup> Food & Nutrition Bd., Inst. of Med., Dietary Reference Intakes For Energy, Carbohydrate, Fiber, Fat, Fatty Acids, Cholesterol, Protein, and Amino Acids (2005).

<sup>25 | 7</sup> Id.

<sup>26 8 75</sup> Fed. Reg. at 76542.

<sup>&</sup>lt;sup>9</sup> *Id*.

<sup>&</sup>lt;sup>10</sup> Id.

consumption of less than 0.5 percent of the total energy intake—may be necessary to avoid adverse effects and would be prudent to minimize health risks. 11

22. Today there is no question about the scientific consensus on trans fat. Dr. Julie Louise Gerberding, former director of the Center for Disease Control, writes:

The scientific rationale for eliminating exposure to artificial trans fatty acids in foods is rock solid. There is no evidence that they provide any health benefit, and they are certainly harmful. These compounds adversely affect both low- and high-density lipoprotein cholesterol levels and increase the risk for coronary heart disease, even at relatively low levels of dietary intake. Gram for gram, trans fats are far more potent than saturated fats in increasing the risk for heart disease, perhaps because they also have pro-inflammatory properties and other adverse effects on vascular endothelium. The strong evidence of harm motivated the Institute of Medicine to issue recommendations that the intake of trans fats be minimized and prompted the [FDA] to require the addition of information about trans fat content to food labels beginning in 2006. Eliminating exposure to these dangerous fats could have a powerful population impact—potentially protecting 30,000 to 100,000 Americans from death related to heart disease each year.<sup>12</sup>

23. Walter Willett, Professor of Medicine at Harvard Medical School, concludes in an article in the New England Journal of Medicine:

Given the adverse effects of trans fatty acids on serum lipid levels, systemic inflammation, and possibly other risk factors for cardiovascular disease and the positive associations with the risk of CHD, sudden death from cardiac causes, and possibly diabetes, the potential for harm is clear. The evidence and the magnitude of adverse health effects of trans fatty acids are in fact far stronger on average than those of food contaminants or pesticide residues, which have in some cases received considerable attention. Furthermore, trans fats from partially hydrogenated oils have no intrinsic health value above their caloric value. Thus, from a nutritional standpoint, the consumption of trans fatty acids results in considerable potential harm but no apparent benefit.<sup>13</sup>

24. Given its nature as an artificial chemical not naturally found in any food and the considerable harm that causes to human health, Dr. Willet finds the most direct analogue of trans fat to be not any natural fat but contaminants such as pesticides. He states that banning trans fat

<sup>&</sup>lt;sup>11</sup> Mozaffarian, 354 New Eng. J. Med. at 1608-1609.

<sup>&</sup>lt;sup>12</sup> Julie Louise Gerberding, MD, MPH, Safer Fats for Healthier Hearts: The Case for Eliminating Dietary Artificial Trans Fat Intake, Ann. Intern. Med., 151:137-138 (2009)

<sup>&</sup>lt;sup>13</sup> Dariush Mozaffarian, M.D., M.P.H., Martijn B. Katan, Ph.D., Alberto Ascherio, M.D., Dr.P.H., Meir J. Stampfer, M.D., Dr.P.H., and Walter C. Willett, M.D., Dr.P.H., *Trans Fatty Acids and Cardiovascular Disease*, N. Engl. J. Med. 354:1601-13 (2006).

13

1415

1617

18

19

2021

2223

24

25

2627

28

"is a food safety issue . . . this is actually contamination." 14

Artificial Trans Fat Is So Inherently Dangerous It Has Been Banned by an Increasing Number of American States and Governments Abroad

- 25. In 2008, California became the first state to ban all restaurant food with artificial trans fat, a law affecting approximately 88,000 eating establishments. Trans fats now may not be served in California's schools or restaurants.<sup>15</sup>
- 26. New York City banned all trans fat in its 20,000 food establishments in 2006. Similar laws exist in Philadelphia; Baltimore; Stamford, Connecticut; and Montgomery County, Maryland.
- 27. A 2004 Danish law restricted all foods to under 2 percent of calories from trans fat.

  Switzerland made the same restriction in 2008.<sup>16</sup>
- 28. After conducting a surveillance study of Denmark's trans fat ban, researchers concluded the change "did not appreciably affect the quality, cost or availability of food" and did not have "any noticeable effect for the consumers." <sup>17</sup>
- 29. Similar bans have been introduced in Austria and Switzerland. Brazil, Argentina, Chile and South Africa have all taken steps to reduce or eliminate trans fats from food.<sup>18</sup>
- 30. In 2006, a trans fat task force co-chaired by Health Canada and the Heart and Stroke Foundation of Canada recommended capping trans fat content at 2 percent of calories for tub margarines and spreads and 5 percent for all other foods. On September 30, 2009, British Columbia became the first province to impose these rules on all restaurants, schools, hospitals, and special events.<sup>19</sup>

<sup>&</sup>lt;sup>14</sup> Coombes, Rebecca. Trans fats: chasing a global ban, 343 British Med. J. (2011).

<sup>&</sup>lt;sup>15</sup> Cal. Educ. Code § 49431.7, Cal. Health & Saf. Code § 114377.

<sup>&</sup>lt;sup>16</sup> Andrew Collier, Deadly Fats: Why Are We still Eating Them?, The Independent (UK), June 10, 2008.

<sup>&</sup>lt;sup>17</sup> Mozaffarian, 354 New Eng. J. Med. at 1610; see also Stender, Steen. High Levels of Industrially Produced *Trans* Fat in Popular Fast Food, 354 New Eng. J. Med. 1650, 1652 (2006).

<sup>&</sup>lt;sup>18</sup> Coombes, Rebecca. Trans fats: chasing a global ban, 343 British Med. J. (2011).

<sup>&</sup>lt;sup>19</sup> Province Restricts Trans Fat in B.C., British Columbia Ministry of Healthy Living and Sport Press Release (2009), available at http://www2.news.gov.bc.ca/news\_releases\_2005-2009/2009HLS0013-000315.htm.

# The Artificial Trans Fat in Nestle Trans Fat Pizzas Causes Cardiovascular Disease

1

2

3

4

5

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

24

25

26

27

28

- 31. Trans fat raises the risk of CHD more than any other known nutritive product.<sup>20</sup>
- 32. Removing trans fat equal to 2% of total calories from the American diet "would prevent approximately 30,000 premature coronary deaths per year, and epidemiologic evidence suggests this number is closer to 100,000 premature deaths annually."<sup>21</sup>
- 33. "10 to 19 percent of CHD events in the United States could be averted by reducing the intake of trans fat."<sup>22</sup>
- 34. By raising LDL levels and lowering HDL levels, trans fat causes a wide variety of dangerous heart conditions, including low flow-mediated vasodilation, coronary artery disease, and primary cardiac arrest.
- 35. In a joint Dietary Guidelines Advisory Committee Report, the Department of Health and Human Services and the U.S. Department of Agriculture recognized "[t]he relationship between trans fatty acid intake and LDL cholesterol is direct and progressive, increasing the risk of cardiovascular disease."
- 36. The American Heart Association warns, "trans fats raise your bad (LDL) cholesterol levels and lower your good (HDL) cholesterol levels. Eating trans fats increases your risk of developing heart disease."<sup>24</sup>
- 37. After a review of literature on the connection between the consumption of artificial trans fat and coronary heart disease, the FDA concluded:

[B]ased on the consistent results across a number of the most persuasive types of study designs (i.e., intervention trials and prospective cohort studies) that were

<sup>&</sup>lt;sup>20</sup> Mozaffarian, 354 New Eng. J. Med. at 1603.

<sup>23</sup> Alberto Ascherio et al., Trans Fatty Acids & Coronary Heart Disease, 340 New Eng. J. Med. 94, 94-8 (1999).

<sup>&</sup>lt;sup>22</sup> Mozaffarian, 354 New Eng. J. Med. at 1611.

<sup>&</sup>lt;sup>23</sup> Dep't of Health & Human Serv. & U.S. Dep't of Agric., 2005 Dietary Guidelines Advisory Committee Report, Section 10 (2005).

Am. Heart Ass'n., *Trans Fat Overview*, available at http://www.heart.org/HEARTORG/GettingHealthy/FatsAndOils/Fats101/Trans-Fats\_UCM\_301120\_Article.jsp

conducted using a range of test conditions and across different geographical regions and populations . . . the available evidence for an adverse relationship between trans fat intake and CHD risk is strong.<sup>25</sup>

- 38. The FDA further found "[t]o date, there have been no reports issued by authoritative sources that provide a level of trans fat in the diet . . . below which there is no risk of [Coronary Heart Disease]." Rather, there "is a positive linear trend between trans fatty acid intake and LDL cholesterol concentration, and therefore there is a positive relationship between trans fatty acid intake and the risk of CHD." CHD."
- 39. A study investigating the impact of trans fatty acids on heart health provides evidence that:

[E]ven the lower estimates from the effects [of PHVO] on blood lipids would suggest that more than 30,000 deaths per year may be due to the consumption of partially hydrogenated vegetable fat. Furthermore, the number of attributable cases of nonfatal coronary heart disease will be even larger. <sup>28</sup>

- 40. Since "the adverse effect of trans fatty acids is stronger than that of saturated fatty acids," saturated fat consumption would need to be reduced by 10 percent of daily caloric intake to have the same impact as a reduction of trans fat equal to 2 percent of daily caloric intake.<sup>29</sup>
- 41. After conducting a crossover diet trial, Danish researchers determined that healthy men and women who maintained a high-trans fat diet had 21 percent lower protective HDL levels and 29 percent lower flow-mediated vasodilation ("FMD") than those on a high-saturated fat diet. FMD measures the percent increase between the diameter of the artery at ordinary and at maximum dilation,

<sup>&</sup>lt;sup>25</sup> Ctr. for Food Safety & Applied Nutrition, U.S. Food & Drug Admin., Questions & Answers About *Trans* Fat Nutrition Labeling.

<sup>&</sup>lt;sup>26</sup> 75 Fed. Reg. 76526, 76542 (Dec. 8, 2010).

<sup>&</sup>lt;sup>27</sup> Id.

<sup>&</sup>lt;sup>28</sup> W.C. Willett et al., Trans Fatty Acids: Are the Effects only Marginal? 84 Am. J. Pub. Health 722, 723 (1994).

<sup>&</sup>lt;sup>29</sup> Mozaffarian, 354 New Eng. J. Med. at 1609.

- Australian researchers observed that heart attack patients possess elevated amounts of 42. trans fat in their adipose tissue, strongly linking heart disease with long-term consumption of trans fat.<sup>31</sup>
- 43. By taking blood samples from 179 survivors of cardiac arrest and 285 randomly-selected control patients and comparing the top fifth with the bottom fifth of participants by trans fat intake, another study published in the American Heart Association's Circulation found that the largest consumers of trans fat have three times the risk of suffering primary cardiac arrest, even after controlling for a variety of medical and lifestyle risk factors.<sup>32</sup>

## The Artificial Trans Fat in Nestle Trans Fat Pizzas Causes Type-2 Diabetes

- Artificial trans fat causes type-2 diabetes.33 44.
- In particular, trans fat disrupts the body's glucose and insulin regulation system by 45. incorporating itself into cell membranes, causing the insulin receptors on cell walls to malfunction, and in turn elevating blood glucose levels and stimulating further release of insulin.
- Researchers at Northwestern University's medical school found mice show multiple 46. markers of type-2 diabetes after eating a high trans fat diet for only four weeks.<sup>34</sup>
- By the eighth week of the study, mice fed the diet high in trans fat showed a 500% 47. increase compared to the control group in hepatic interleukin-1ß gene expression, one such marker of diabetes, indicating the extreme stress artificial trans fat places on the body.<sup>35</sup>

1

2

3

4

6

8

9

10

11

12

13

14

15

16

17

18

19

20

21

24

25

26

27

<sup>&</sup>lt;sup>30</sup> Nicole M. De Roos et al., Replacement of Dietary Saturated Fatty Acids by Trans Fatty Acids Lowers Serum HDL Cholesterol and Impairs Endothelial Function in Healthy Men and Women, 21 Am. Heart Assoc. 1233, 1233-37 (2001).

<sup>22</sup> <sup>31</sup> Peter M. Clifton et al., Trans Fatty Acids In Adipose Tissue And The Food Supply Are Associated With Myocardial Infarction. 134 J. of Nutrition 874, 874-79 (2004). 23

<sup>&</sup>lt;sup>32</sup> Rozenn N. Lemaitre et al., Cell Membrane Trans-Fatty Acids and the Risk of Primary Cardiac Arrest, 105 Circulation 697, 697-701 (2002).

<sup>&</sup>lt;sup>33</sup> Am. Heart Ass'n., Trans Fat Overview.

<sup>&</sup>lt;sup>34</sup> Sean W. P. Koppe et al., Trans fat feeding results in higher serum alanine aminotransferase and increased insulin resistance compared with a standard murine high-fat diet, 297 Am. J. Physiol. Gastrointest Liver Physiol. G378-84 (2009).

<sup>&</sup>lt;sup>35</sup> Id.

9

12 13

1415

16 17

18

19

2021

22

24

23

2526

27

28

48. A 14-year study of 84,204 women found that for every 2 percent increase in energy intake from artificial trans fat, the relative risk of type-2 diabetes was increased by 39 percent.<sup>36</sup>

# The Artificial Trans Fat in Nestle Trans Fat Pizzas Causes Breast, Prostate, and Colorectal Cancer

- 49. Trans fat is a carcinogen and causes breast, prostate, and colorectal cancer.
- 50. A 13-year study of 19,934 French women showed 75 percent more women contracted breast cancer in the highest quintile of trans fat consumption than did those in the lowest.<sup>37</sup>
- 51. In a 25-year study of 14,916 U.S. physicians, the doctors in the highest quintile of trans fat intake had more than double the risk of developing prostate cancer than the doctors in the lowest quintile.<sup>38</sup>
- 52. A study of 1,012 American males observing trans fat intake and the risk of prostate cancer found "[c]ompared with the lowest quartile of total trans-fatty acid consumption, the higher quartiles gave odds ratios (ORs) equal to 1.58," meaning those in the highest quartile are 58% more likely to contract prostate cancer than those in the lowest.<sup>39</sup>
- 53. A 600-person study found an 86 percent greater risk of colorectal cancer in the highest trans fat consumption quartile.<sup>40</sup>
- 54. A 2,910-person study found "trans-monounsaturated fatty acids . . . were dose-dependently associated with colorectal cancer risk," which showed "the importance of type of fat in the etiology and prevention of colorectal cancer."

<sup>&</sup>lt;sup>36</sup> Jorge Salmeron et al., *Dietary Fat Intake and Risk of Type 2 Diabetes in Women*, 73 Am. J. of Clinical Nutrition 1019, 1023 (2001).

<sup>&</sup>lt;sup>37</sup> Véronique Chajès et al., Association between Serum Trans-Monounsaturated Fatty Acids and Breast Cancer Risk in the E3N-EPIC Study. 167 Am. J. of Epidemiology 1312, 1316 (2008).

<sup>&</sup>lt;sup>38</sup> Jorge Chavarro et al., A Prospective Study of Blood Trans Fatty Acid Levels and Risk of Prostate Cancer., 47 Proc. Am. Assoc. of Cancer Research 95, 99 (2006).

<sup>&</sup>lt;sup>39</sup> Xin Liu et al., Trans-Fatty Acid Intake and Increased Risk of Advanced Prostate Cancer: Modification by RNASEL R462Q Variant, 28 Carcinogenesis 1232, 1232 (2007).

<sup>&</sup>lt;sup>40</sup> L.C. Vinikoor et al., Consumption of Trans-Fatty Acid and its Association with Colorectal Adenomas, 168 Am. J. of Epidemiology 289, 294 (2008).

<sup>&</sup>lt;sup>41</sup> Evropi Theodoratou et al., *Dietary Fatty Acids and Colorectal Cancer: A Case-Control Study*, 166 Am. J. of Epidemiology 181 (2007).

10 11

12 13

14

15 16

17 18

19 20

21 22

23

24

25 26

27

28

# The Artificial Trans Fat in Nestle Trans Fat Pizzas Causes Alzheimer's Disease and Cognitive Decline

- 55. Trans fat causes Alzheimer's Disease and cognitive decline.
- In a study examining 815 Chicago area seniors, researchers found "increased risk of 56. incident Alzheimer disease among persons with high intakes of... trans-unsaturated fats."42
- The study "observed a strong increased risk of Alzheimer disease with consumption of 57. trans-unsaturated fat."43
- In a study of 1,486 women with type 2 diabetes, researchers found "[h]igher intakes of . . 58. . trans fat since midlife . . . were [] highly associated with worse cognitive decline . . . . "44
- The study cautioned "[d]ietary fat intake can alter glucose and lipid metabolism and is 59. related to cardiovascular disease risk in individuals with type 2 diabetes. Because insulin, cholesterol, and vascular disease all appear to play important roles in brain aging and cognitive impairments, dietary fat modification may be a particularly effective strategy for preventing cognitive decline, especially in individuals with diabetes."<sup>45</sup> (citations omitted)

# Plaintiff's Purchases of the Nestle Trans Fat Pizzas

- Plaintiff Katie Simpson repeatedly purchased Nestle Trans Fat Pizzas during the Class 60. Period defined herein.
- Ms. Simpson purchased the Nestle Trans Fat Pizzas approximately five times in the past 61. year. Her most recent purchase was a CPK Personal Pizza Barbeque Chicken and a CPK Crispy Thin Crust Pizza Signature Pepperoni in early October, 2012.
- The most frequent of Ms. Simpson's purchases of Nestle Trans Fat Pizzas were at the 62. Target located at 2911 Jamacha Rd., El Cajon, CA 92019.

<sup>45</sup> Id.

<sup>&</sup>lt;sup>42</sup> Martha Clare Morris et al., Dietary Fats and the Risk of Incident Alzheimer Disease, 60 Arch. Neurol. 194, 198-199 (2003).

<sup>&</sup>lt;sup>43</sup> *Id*.

<sup>&</sup>lt;sup>44</sup> Elizabeth E. Devore et al., Dietary Fat Intake and Cognitive Decline in Women with Type 2 Diabetes, 32 Diabetes Care 635 (2009).

<sup>11</sup> 

## The Nestle Trans Fat Pizzas Unnecessarily Contain PHVO and Artificial Trans Fat

- 63. Defendants' use of PHVO in the Nestle Trans Fat Pizzas is unnecessary. There are several safe substitutes for PHVO and artificial trans fat. In fact, Defendants manufacture and distribute other frozen pizza products with alternative formulations that do not contain artificial trans fat. For example, Nestle owns, manufactures and sells frozen pizzas under the Tombstone brand, which are not made with artificial trans fat.
- 64. Similarly, several manufacturers of competing frozen pizza products have responsibly decided to refrain from adding artificial trans fat to their products. Such brands sold in California include Amy's Pizza, distributed by Amy's Kitchen, Inc.; Freschetta Pizza, manufactured by Schwan's Consumer Brand's, Inc.; Glutino Pizza, distributed by Glutino Food Group; Kashi Pizza, distributed by Kashi Sales L.L.C., a subsidiary of the Kellogg Company; Kroger Pizza, distributed by Kroger Co.; Newman's Own Pizza, distributed by Newman's Own, Inc.; Open Nature, distributed by Lucerne Foods, Inc.; Orv's Pizza, distributed by Five Star Frozen Foods, Inc.; Palermo's Pizza, manufactured by Palermo Villa Inc.; Pizza Romana, distributed by Divine Pasta Co.; Red Baron, distributed by Schwan Food Company; Safeway Select, distributed by Safeway Inc.; Simply Shari's, distributed by Simply Shari's Inc.; Tandoor Chef, distributed by Deep Foods, Inc.; Tony's, distributed by Schwan Food Company; Venice Pizza, distributed by The California Food Company; Vicolo, distributed by Vicolo Wholesale; and Weight Watchers Smart Ones, manufactured by H.J. Heinz Company. A list of such products including specific varieties is identified in Appendix B hereto.
- 65. Although alternative formulations and substitutes for PHVO were and are available, Defendants elect not to use them in the Nestle Trans Fat Pizzas in order to increase their profits.

# Defendants' Practices Are "Unfair" Within the Meaning of the California Unfair Competition Law

- 66. Defendants' practices as described herein are "unfair" within the meaning of the California Unfair Competition Law because their conduct is immoral, unethical, unscrupulous, or substantially injurious to consumers, and the utility of the conduct, if any, does not outweigh the gravity of the harm to Defendants' victims.
  - 67. In particular, while Defendants' use of PHVO in the Nestle Trans Fat Pizzas may have

9

12

11

14 15

13

16

17 18

19 20

23

21

24

25 26

27

28

some utility in that it allows Defendants to realize higher profit margins than if they used certain safer PHVO substitutes, this utility is small and far outweighed by the gravity of the serious health harm imposed upon consumers.

- 68. Nestle and CPK's conduct injures competing manufacturers of frozen pizza that do not engage in its unfair, immoral behavior, especially given Defendants' large market share and the limited shelf space in retailers frozen food sections.
- Further, Defendants' practices violate public policy as declared by specific constitutional, 69. statutory or regulatory provisions, including the California Health and Safety Code § 114377 and California Education Code § 49431.7.
- 70. Nestle and CPK's actions also violate public policy by causing the United States, California, and every other state to pay-via Medicare, Medicaid, Veterans Health Administration and other programs-for treatment of trans fat-related illnesses.
- Further, the injury to consumers from Defendants' practices is substantial, not 71. outweighed by benefits to consumers or competition, and not one consumers themselves could reasonably have avoided.

## **INJURY**

- Plaintiff first discovered Defendants' unlawful acts described herein in October 2012, 72. when she learned that Nestle Trans Fat Pizzas contained artificial trans fat and caused heart disease, diabetes, cancer, and death, while competing products used safe and commercially acceptable substitutes for PHVO.
- Plaintiff lost money as a result of Defendants' conduct described herein in that she 73. purchased products that, because they were detrimental to her health, were unfairly offered for sale in violation of California law. Had Defendants not violated the law, Plaintiff would not have been able to purchase the Nestle Trans Fat Pizzas, or would have only been able to purchase Nestle and CPK pizzas containing safe alternatives to PHVO and trans fat.

#### **CLASS ACTION ALLEGATIONS**

Plaintiff brings this action on behalf of herself and all others similarly situated (the 74. "Class"), excluding Defendants' officers, directors, and employees, and the Court, its officers and their

19

13

14

15

16

2021

23

24

22

2526

262728

families. The Class is defined as:

All persons who purchased in the United States, on or after January 1, 2009, for household or personal use, frozen pizzas manufactured or distributed by Nestle USA, Inc. containing partially hydrogenated vegetable oil.

- 75. Questions of law and fact common to Plaintiff and the Class include:
- a. Whether Defendants' conduct constitutes a violation of the unfair prong of California's Unfair Competition Law;
- b. Whether Defendants' conduct was immoral, unethical, unscrupulous, or substantially injurious to consumers;
- c. Whether any slight utility to themselves of Defendants' conduct outweighs the gravity of the harm the conduct causes to their victims;
- d. Whether Defendants' conduct violates public policy as declared by specific constitutional, statutory or regulatory provisions;
- e. Whether the injury to consumers from Defendants' practices is substantial, not outweighed by benefits to consumers or competition, and not one consumers themselves could reasonably have avoided
- f. Whether Class members are entitled to restitution and, if so, the correct measure of restitution;
  - g. Whether Class members are entitled to an injunction and, if so, its terms; and
  - h. Whether Class members are entitled to any further relief.
- 76. By purchasing and/or using the Nestle Trans Fat Pizzas, all Class members were subjected to the same wrongful conduct.
- 77. Plaintiff's claims are typical of the Class' claims. Plaintiff will fairly and adequately protect the interests of the Class, has no interests that are incompatible with the interests of the Class, and has retained counsel competent and experienced in class litigation.
- 78. The Class is sufficiently numerous, as it includes hundreds of thousands of individuals who purchased the Nestle Trans Fat Pizzas throughout the United States during the Class Period.
- 79. Class representation is superior to other options for the resolution of the controversy. The relief sought for each Class member is small, as little as three or four dollars for some classes members.

Absent the availability of class action procedures, it would be infeasible for Class members to redress the wrongs done to them.

- 80. Defendants have acted on grounds applicable to the Class, thereby making final injunctive relief or declaratory relief appropriate concerning the Class as a whole.
- 81. Questions of law and fact common to the Class predominate over any questions affecting only individual members.
- 82. Class treatment is appropriate under FRCP 23(a) and both FRCP 23(b)(2) and 23(b)(3). Plaintiff does not contemplate class notice if the class is certified under FRCP 23(b)(2), which does not require notice. Plaintiff contemplates notice via publication if the class is certified under FRCP 23(b)(3) or if the Court determines class notice is required notwithstanding that notice is not required under FRCP 23(b)(2). Plaintiff will, if notice is required, confer with Defendants and seek to present the Court with a stipulation and proposed order on the details of a class notice plan.

#### **FIRST CAUSE OF ACTION**

# California Unfair Competition Law, Unfair Prong

#### Cal. Bus. & Prof. Code §§ 17200 et seq.

- 83. Plaintiff realleges and incorporates the allegations elsewhere in the Complaint as if set forth in full herein.
- 84. Cal. Bus. & Prof. Code § 17200 prohibits any "unlawful, unfair or fraudulent business act or practice."
- 85. The practices and non-disclosures of Defendants as alleged herein constitute "unfair" business acts and practices in that their conduct is immoral, unethical, unscrupulous, or substantially injurious to consumers and the utility of their conduct, if any, does not outweigh the gravity of the harm to Defendants' victims.
- 86. Further, Defendants' practices are "unfair" because they violate public policy as declared by specific constitutional, statutory or regulatory provisions, including the California Health and Safety Code and California Education Code.

An award of attorneys' fees and costs; and H. Such other and further relief as this Court may deem just, equitable or proper.  $I_{i}$ DATED: December 6, 2012 Respectfully Submitted, THE WESTON FIRM GREGORY S. WESTON JACK FITZGERALD MELANIE PERSINGER 1405 Morena Blvd., Suite 201 San Diego, CA 92110 Telephone: (619) 798-2006 Facsimile: (480) 247-4553 

1			Appendix A		
	٠	DiGio			
2		0	Traditional Crust Personal Pizza Four Cheese		
3		0	Traditional Crust Personal Pizza Pepperoni Traditional Crust Personal Pizza Three Meat		
		0	Traditional Crust Personal Pizza Supreme		
4		0	Deep Dish Personal Pizza Four Cheese		
5		0	Supreme Pizza & Honey BBQ Boneless Wyngz		
		0	Pepperoni Pizza & Buffalo Style Boneless Wyngz		
6		0	Pepperoni Pizza & Chocolate Chip Cookie Dough		
7		0	Thin Crispy Crust Pepperoni Personal Pizza		
′	•	Califo	rnia Pizza Kitchen:		
8	-	0	Crispy Thin Crust Pizza Four Cheese		
		0	Crispy Thin Crust Pizza Signature Pepperoni		
9		0	Personal Pizza BBQ Chicken Personal Pizza Hawaiian		
10			Personal Pizza Four Cheese		
			Personal Pizza Margherita		
11		0	Personal Pizza Sicilian Recipe		
12		Stouff			
19		0	French Bread Pizza Cheese		
13		0	French Bread Pizza Three Meat		
14		0	French Bread Pizza Pepperoni French Bread Pizza Sausage and Pepperoni		
	T.	0	French Bread Pizza Deluxe		
15			French Bread Pizza Extra Cheese		
16			French Bread Pizza Grilled Vegetables		
10		0	French Bread Pizza Grilled Cheese		
17			French Bread Pizza Grilled Five Cheese		
18		0	French Bread Pizza Grilled Pepperoni & Mushroom	a î	
10		0	French Bread Pizza Grilled Sausage		
19					
20				1 0 X W	
20				-27	
21					
22			# ***		
22					
23					
24					
25					*** <sub>31</sub>
4				5	
26				8	
27					
28					72
	II		Ţ		

- 1	
1	Appendix B
	Amy's Pizza distributed by Amy's Kitchen, Inc. including all of the following varieties:
2	o 3 Cheese Pizza with Cornmeal Crust
2	o Broccoli & Spinach White Pizza
3	o Cheese and Pesto with Whole Wheat Crust
4	o Cheese Pizza
	o Four Cheese Pizza
5	o Italiano Pizza
6	o Light in Sodium Single Serve Spinach Pizza
6	o Margherita Pizza
7	Mushroom & Olive Pizza     Pesto Pizza
	Pesto Pizza     Rice Crust Cheese Pizza
8	o Rich Crust Spinach Pizza
9	o Roasted Vegetable Pizza
	o Single Serve Cheese Pizza
0	o Single Serve Margherita Pizza
	o Single Serve Non-Dairy Rice Crust Cheeze Pizza
1	o Single Serve Pesto Pizza
2	<ul> <li>Single Serve Rice Crust Margherita Pizza</li> </ul>
	o Single Serve Rice Crust Roasted Vegetable Pizza
3	o Soy Cheeze Pizza, Spinach Pizza
4	o Vegan Margherita Pizza
7	Freschetta Pizza manufactured by Schwan's Consumer Brands, Inc. including all of the following
5	varieties:  o Naturally Rising Classic Supreme Pizza
	o Naturally Rising Classic Supreme Pizza o Naturally Rising Canadian Style Bacon & Pineapple
6	o Naturally Rising Meat Medley
7	Naturally Rising Signature Pepperoni
	o Naturally Rising 4-Cheese Medley
8	o Brick Oven Three Meat Medley Pizza
9	o Brick Oven 5 Italian Cheese Pizza
	o Brick Oven Pepperoni and Italian Style Cheese Pizza
20	o Brick Oven Zesty Italian Style Supreme Pizza
	o Brick Oven Roasted Portabella Mushrooms & Spinach Pizza
21	o PizzAmore Pepperoni-Duo
22	PizzAmore 10-Topping Supreme     Simply Inspired Harvest Supreme Pizza
	Simply Inspired Harvest Supreme Pizza     Simply Inspired Classic Bruschetta Pizza
23	o Simply Inspired Chassic Blassicita 1 122a
24	o Simply Inspired Farmers Market Veggie
7	o Simply Inspired Rustic Pepperoni Pomodoro
25	Glutino Pizza distributed by Glutino Food Group including all of the following varieties:
	o Gluten Free Duo Cheese Pizza
26	Gluten Free Uncured Pepperoni Pizza
27	o Gluten Free Spinach & Feta Pizza
	o Gluten Free Chicken Pizza with BBQ Sauce
8.	<ul> <li>Kashi Pizza distributed by Kashi Sales L.L.C., a subsidiary owned by Kellogg Company</li> </ul>
	II

1	including all of the following varieties:	
2	o Thin Crust Pizza Roasted Vegetable	
_	<ul> <li>Thin Crust Pizza Mushroom Trio &amp; Spinach</li> <li>Thin Crust Pizza Margherita</li> </ul>	
3	Thin Crust Pizza Margnerita     Thin Crust Pizza Mediterranean	
	o Thin Crust Pizza Basil Pesto	
4	o Thin Crust Pizza Roasted Vegetable	
5	o Thin Crust Pizza Four Cheese	
	<ul> <li>Kroger Pizza distributed by the Kroger Co., including all of the following varieties:</li> </ul>	
6	o Pizza Pals Combination Italian Sausage & Pepperoni Pizza	
7	o Pizza Pals Cheese Pizza	
_ ′	o Pizza Pals Three Meat Sausage, Canadian Style Bacon & Pepperoni Pizza	
8	• Newman's Own Pizza distributed by Newman's Own, Inc. including all of the following	
	varieties:	
9	o Four Cheese Thin & Crispy Pizza	
10	<ul> <li>Italian Sausage Thin &amp; Crispy Pizza</li> <li>Margherita Thin &amp; Crispy Pizza</li> </ul>	
	o Margherita Thin & Crispy Pizza o Roasted Garlic & Chicken Thin & Crispy Pizza	
11	o Roasted Vegetable Thin & Crispy Pizza	
12	o Supreme Thin & Crispy Pizza	
14	Uncured Pepperoni Thin & Crispy Pizza	
13	o White Thin & Crispy Pizza	
	Buffalo Style Chicken Thin & Crispy Pizza	
14	Open Nature distributed by Lucerne Foods, Inc. including all of the following varieties:	
15	o Roasted Vegetable Pizza	
	o Uncured Pepperoni Pizza	
16	<ul> <li>Supreme Pizza</li> <li>Four Cheese Pizza</li> </ul>	
17	N. 1 ' TO'	
1/	<ul> <li>Orv's Pizza distributed by Five Star Frozen Foods, Inc. including all of the following varieties:</li> </ul>	
18	o Ultimate Rizer Three Meat Pizza	
10	o Ultimate Rizer Pepperoni Pizza	
19	Ultimate Rizer Sausage Pizza	
20	o Ultimate Rizer Special Deluxe Pizza	
	Palermo's Pizza manufactured by Palermo Villa Inc., including all of the following varieties:	
21	o Primo Thin Ultra-Thin Crust Sicilian Pizza	
22	o Primo Thin Ultra-Thin Crust Supreme Pizza	
22	o Primo Thin Ultra-Thin Crust Italian Sausage Pizza	
23	<ul> <li>Primo Thin Ultra-Thin Crust Cheese Lovers Pizza</li> <li>Primo Thin Ultra-Thin Crust Grilled Chicken Caesar Pizza</li> </ul>	
24	II 1 T 1 Study Dimensio Courset Changes Diggrap	
24	o Hand Tossed Style Pizzeria Crust Cheese Pizza  Hand Tossed Style Pizzeria Crust Italian Sausage Pizza	
25	o Hand Tossed Style Pizzeria Crust Combination Pizza	
	o Hand Tossed Style Pizzeria Crust Pepperoni Pizza	
26	o Hand Tossed Style Pizzeria Crust Supreme Pizza	
27	Pizza Romana distributed by Divine Pasta Co. including all of the following varieties:	
	o Margherita Brick oven Pizza	
28	o Porcini Mushroom & Fontina Brick Oven Pizza	
	III	